

Comparison of the Income Tax Bills

General Information	SB 282	HB 393	HB 532	HB 581
Tie to Federal Taxable Income	Yes	No	Yes	Yes
Eliminates Incentive for Married Filing Separate	Yes	Yes	Yes	Yes
Rates	4%, 6%	No Change	5.50%	1%, 3%, 6%
Montana Additions to Income	SB 282	HB 393	HB 532	HB 581
Interest on other states' municipal bonds				
Dividends not included in FAGI	Repeal		Repeal	Repeal
Taxable federal refunds	Repeal		Repeal	Repeal
Recoveries of amounts deducted in earlier years			Repeal	Repeal
Additions to federal taxable social security or railroad retirement	Repeal		Repeal	Repeal
Allocation of compensation to spouse	Repeal		Repeal	Repeal
Medical savings account nonqualified withdrawals				
Family education savings account nonqualified withdrawals				
First-time homebuyer's account nonqualified withdrawals				
Farm and ranch risk management account taxable distributions	Repeal		Repeal	Repeal
Income item used as basis for a credit	New		New	New
Dependent care assistance credit adjustment	Repeal		Repeal	Repeal
Smaller federal estate and trust taxable distributions	Repeal		Repeal	Repeal
Federal net operating loss carryover	Repeal		Repeal	Repeal
Federal taxes paid by your S. corporation	Repeal		Repeal	Repeal
Title plant depreciation	Repeal		Repeal	Repeal
Group health premiums reimbursed by Insure Montana credit	Repeal		Repeal	Repeal
Other additions	Repeal		Repeal	Repeal

Montana Subtractions from Income	SB 282	HB 393	HB 532	HB 581
Federal bonds exempt interest				
Exempt tribal income				
Exempt unemployment compensation	Repeal		Repeal	Repeal
Exempt worker's comp benefits	Repeal		Repeal	Repeal
Capital gains from small business investment companies	Repeal		Repeal	Repeal
State tax refunds included in federal AGI	Repeal		Repeal	Repeal
Recoveries of amounts deducted in earlier years that did not increase MT taxes	Repeal		Repeal	Repeal
Exempt active duty military salary				
Nonresident exempt military income	Repeal		Repeal	Repeal
Exempt life insurance premiums reimbursement (National Guard)	Repeal		Repeal	Repeal
Exempt pension income	Repeal		Repeal	Repeal
Elderly interest exclusion	Repeal		Repeal	Repeal
Exempt retirement disability income (under age 65)	Repeal		Repeal	Repeal
Exempt tip income	Repeal		Repeal	Repeal
Exempt income of child taxed to parent	Repeal		Repeal	Repeal
Exempt health insurance premiums taxed to employee	Repeal		Repeal	Repeal
Student loan repayments taxed to health care professional	Repeal		Repeal	Repeal
Medical care savings account exempt deposits	Repeal		Repeal	Repeal
First-time homebuyer exempt savings account deposits	Repeal		Repeal	Repeal
Family education savings account exempt deposits	Repeal		Repeal	Repeal
Farm and ranch risk management accounts exempt deposits	Repeal		Repeal	Repeal
Subtraction to federal taxable social security/Tier 1 railroad retirement	Repeal		Repeal	Repeal
Subtraction for federal taxable Tier II railroad retirement				
Subtraction for spouse filing joint return: passive loss carryover	Repeal		Repeal	Repeal
Subtraction for spouse filing joint return: capital loss	Repeal		Repeal	Repeal
Allocation of compensation to spouse	Repeal		Repeal	Repeal
Montana net operation loss carryover	Repeal		Repeal	Repeal
40% capital gain exclusion on pre-1987 installment sales	Repeal		Repeal	Repeal
Business expense of recycled material	Repeal		Repeal	Repeal
Sales of land to beginning farmers	Repeal		Repeal	Repeal
Larger federal estate and trust taxable distributions	Repeal		Repeal	Repeal
Wage deduction reduced by federal targeted jobs credit	Repeal		Repeal	Repeal
Certain gains recognized by liquidating corporation	Repeal		Repeal	Repeal
Other subtractions	Repeal		Repeal	Repeal

Montana-Specific Itemized Deductions	SB 282	HB 393	HB 532	HB 581
Medical insurance premiums not deducted elsewhere	Repeal		Repeal	Repeal
Long-term care insurance premiums not deducted elsewhere	Repeal		Repeal	Repeal
Federal Income Tax	Repeal		Repeal	Repeal
Political contributions	Repeal		Repeal	Repeal
Child and dependent care expenses	Repeal		Repeal	Repeal
Individual Income Tax Credits	SB 282	HB 393	HB 532	HB 581
Other states' income tax credit				
College contribution tax credit				Repeal
Qualified endowment tax credit				
Energy conservation tax credit	Repeal		Repeal	Repeal
Alternative fuel tax credit	Repeal		Repeal	Repeal
Insurance for uninsured Montanans credit			Repeal	Repeal
Elderly care tax credit			Repeal	Repeal
Recycling tax credit	Repeal		Repeal	Repeal
Oil seed crushing/biodiesel facility credit	Repeal		Repeal	Repeal
Biodiesel blending/storage tank credit	Repeal		Repeal	Repeal
Contractor's gross receipts tax credit	Repeal		Repeal	Repeal
Geothermal systems tax credit	Repeal		Repeal	Repeal
Alternative energy systems credit	Repeal			Repeal
Alternative energy production tax credit	Repeal		Repeal	Repeal
Dependent care assistance credit			Repeal	Repeal
Historic property preservation tax credit			Repeal	Repeal
Infrastructure user fee credit				Repeal
Empowerment zone credit	Repeal		Repeal	Repeal
Research activities tax credit (sunset at end of 2010)			Repeal	Repeal
Mineral exploration tax credit	Repeal		Repeal	Repeal
Adoption credit			Repeal	Repeal
Elderly homeowner/renter tax credit				Repeal
Film production employment tax credit	Repeal		Repeal	Repeal
Film qualified expenditure tax credit	Repeal		Repeal	Repeal
Insure MT small business health insurance credit				
Emergency lodging credit			Repeal	Repeal

Corporate Tax Credits	SB 282	HB 393	HB 532	HB 581
Contractors Gross Receipts Tax Credit	Repeal		Repeal	Repeal
Charitable Endowment Credit				
Montana Recycling Credit	Repeal			Repeal
Credit for Increasing Research Activities (sunset at end of 2010)				Repeal
Credit for Contribution to MT University or Private College				Repeal
Temporary Emergency Lodging Credit				Repeal
Health Insurance for Uninsured Montanans Credit				Repeal
Credit for Alternative Fuel Motor Vehicle Conversion	Repeal			Repeal
Alternative Energy Production Credit	Repeal			Repeal
Dependent Care Assistance Credit				Repeal
New/Expanded Industry Credit	Repeal			Repeal
Historical Building Credit				Repeal
Infrastructure Users Fee Credit				Repeal
Mineral Exploration Incentive Credit	Repeal			Repeal
Interest Differential Credit				
Film Production Credit	Repeal			Repeal
Film Employment Refundable Credit	Repeal			Repeal
Biodiesel Blending and Storage Credit	Repeal			Repeal
Oilseed Crushing and Biodiesel Production Credit	Repeal			Repeal
Geothermal System Credit	Repeal			Repeal
Insure Montana Credit				
Empowerment Zone Credit	Repeal			Repeal